

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the matter of)
) No. D 2001- 23
The Catholic Church Extension Society)
Of the United States of America) STIPULATIONS, FINDINGS,
Chicago, Illinois)
) CONSENT AND ORDER
)
)

The Catholic Church Extension Society of the United States of America is a charitable organization and has been issuing charitable gift annuities in the State of Washington, and is therefore governed by Title 48 RCW.

This administrative action is based on allegations by the Commissioner's staff that The Catholic Church Extension Society of the United States of America violated RCW 48.05.030 and Chapter 48.38 RCW, by the activity described in the following numbered paragraphs. To resolve only the issues identified in the following numbered paragraphs, to eliminate the necessity for a hearing, and as a negotiated settlement of the Commissioner's allegations The Catholic Church Extension Society of the United States of America has voluntarily executed the Consent to Order contained herein and stipulates to the entry of the Order contained herein.

STIPULATIONS

1. RCW 48.05.030 provides that no person shall act as an insurer nor transact insurance in this state other than as authorized by a certificate of authority issued to it by the Commissioner.

2. RCW 48.11.020 defines life insurance as including the granting of annuities.
3. Chapter 48.38 RCW provides that certain charitable organizations upon complying with the provisions of the Chapter may, after receiving a certificate of exemption from the Commissioner, conduct a charitable gift annuity business and be exempted from most of the provisions of Title 48 RCW.
4. Beginning in 1979 The Catholic Church Extension Society of the United States of America has issued 105 annuities without having been properly licensed to do so.

FINDINGS

1. The Commissioner finds that The Catholic Church Extension Society of the United States of America, by and through the conduct described above, has violated RCW 48.05.030 and Chapter 48.38 RCW, albeit unintentionally.
2. The Commissioner further finds that RCW 48.38.050 authorizes the Commissioner to refuse to issue a Certificate of Exemption to The Catholic Church Extension Society of the United States of America, for failing to comply with the provisions of Chapter 48.38 RCW.
3. The Commissioner further finds that RCW 48.38.050 authorizes, that in lieu of the refusal to issue a Certificate of Exemption, the Commissioner may assess a fine of not more than \$10,000.

CONSENT TO ORDER

Based on the above and foregoing stipulations, The Catholic Church Extension Society of the United States of America consents to pay the sum of \$550 being the \$25 annual fee for the 22 years it would have had to pay the fee if had been properly licensed, the sum of \$525 being the \$5 fee for each annuity that it issued if it had been properly licensed, and a fine in the amount One Hundred Dollars and 00/100 (\$100), for a total amount of \$1175.

Based on the above and foregoing stipulations, The Catholic Church Extension Society of the United States of America voluntarily consents to the following order to resolve the issues and unintentional violations of RCW 48.05.030 and Chapter 48.38 RCW described herein and with the understanding that the payment of the amount levied against The Catholic Church Extension Society of the United States of America is a condition of the issuance of a Certificate of Exemption to The Catholic Church Extension Society of the United States of America for the conduct described herein.

Based on the above and foregoing stipulations, The Catholic Church Extension Society of the United States of America acknowledges its duty and obligation to fully comply with the applicable laws and regulations of

the State of Washington.

Signed this _____ day of _____ 2001.

The Catholic Church Extension Society of the United States of America

by: _____

Title: _____

ORDER

IT IS ORDERED that pursuant to RCW 48.38.050 and the foregoing Stipulations, Findings, and Consent to Order, The Catholic Church Extension Society of the United States of America pay a total sum in the amount of One Thousand One Hundred Seventy Dollars and 00/100 (\$1175) for the activity described in the foregoing Stipulation.

IT IS FURTHER ORDERED that in the event that this sum is not paid within 30 days from the date of this order, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS _____ day of _____ 2001.

Mike Kreidler
Insurance Commissioner